

LAKE COUNTY IMPACT FEE COMMITTEE OCTOBER 19, 2006

The Lake County Impact Fee Committee met on Thursday, October 19, 2006 in Room 233 of the Round Administration Building in Tavares, Florida. Ordinance 1996-31, effective April 19, 1996, created this Committee to review impact fees adopted by the Board of County Commissioners, evaluate the expenditure of funds collected via impact fees, and make recommendations to the Board of County Commissioners.

Ordinance 2004-26, enacted April 6, 2004, effective April 13, 2004, changed the name of the Impact Fee Evaluation and Review Committee to the "Lake County Impact Fee Committee" and changed membership from eleven members to ten members. A current commissioner of the Lake County Board of County Commissioners shall serve as liaison in a nonvoting position and shall not be considered a member.

County Commission Liaison

Commr. Jennifer Hill

Members Present:

Bill Benham, Agricultural Industry Representative
Douglas Buskers, Lake County Conservation Council
Nancy Hurlbert, Citizen-at-Large
Jean Kaminski, Home Builders Association of Lake County
Jim Miller, Chamber of Commerce
Bonnie Penner, Superintendent of Schools Designee
Frank Royce, Lake County League of Cities
Ray San Fratello, Industrial Community Representative
Ammon Smith, Citizen-at-Large

Members Not Present:

Bill Calhoun, Citizen-at-Large

Staff Present:

Wendy Wickwire, Impact Fee Coordinator
Sherie Ross, Public Hearing Coordinator
Gary Kaiser, Director of Public Safety/Fire Chief
John Jolliff, Deputy Fire Chief
Jack Fillman, Assistant Fire Chief

Guests:

Bob Wallace, Vice President, Tindale-Oliver & Associates, Inc.
A. Nilgun Kamp, AICP, Senior Project Manager, Tindale-Oliver & Associates, Inc.
T. J. Fish, AICP, Executive Director, Lake Sumter Metropolitan Planning Organization (MPO)

Chairman Kaminski called the meeting to order at 9:30 a.m. She noted that a quorum was present and confirmed that the meeting had been properly advertised in the newspaper. Since there were new Committee members present, Chairman Kaminski asked each person to introduce themselves.

Minutes

MOTION by Nancy Hulbert, SECONDED by Ray San Fratello to approve the June 15, 2006 Lake County Impact Fee Committee minutes, as submitted.

FOR: Benham, Buskers, Hurlbert, Kaminski, Miller, Penner, Royce, San Fratello, Smith

AGAINST: None

NOT PRESENT: Calhoun

MOTION CARRIED: 9-0

Nilgun Kamp from Tindale-Oliver & Associates, Inc. distributed and began a discussion of the presentation overview. Bob Wallace continued when he came in. He noted that it can be longer than 90 days between the time the ordinance is adopted and the implementation of the new fees, but it must be at least 90 days.

When Mr. Buskers asked if there was an audit function provided for in the impact fee legislation, Mr. Wallace said Lake County has interlocal agreements that call for timeframes for when the monies that are collected by the cities are to be remitted to the County. Ms. Wickwire said the County presently has interlocal agreements in place with all the cities. The school impact fee is countywide. The park impact fee is for unincorporated Lake County only. The library impact fee and the fire impact fee apply where that service is provided. If a city belongs to the County library system, that city collects the County library impact fee. If the city has its own library impact fee, it does not collect the County impact fee. The fire impact fee applies in unincorporated Lake County and those cities where the County provides fire services. The cities are required to submit those monies to the County with a detailed report by the 15th of the following month. There is no provision to audit the cities' building permits; the County is trusting the cities to report all of their building permits. She did not feel there are any major problems, but she agreed that there probably ought to be some type of double check on that. Mr. Wallace said there does not appear to be a wide-scale problem; delays may occur when a city gets behind due to a staff shortage. In the future, it may be possible to have a countywide tracking system for building permits and a corresponding audit system. To ensure that administrative costs do not exceed actual costs, Mr. Wallace said it will be necessary for all governments to look at what is going into the administration of the impact fee program including staffing, outside services, and interdepartmental charges and expenses for support services. His company will be doing a review of budget, process and expenditures to determine what the appropriate administrative charge should be.

There was discussion of the countywide project designed to deal with transportation concurrency and proportionate fair share agreements. Levels of services have been adopted in different cities to meet those concurrency standards. Proportionate fair share agreements are designed to allow the applicant to demonstrate how much it will cost to represent his/her share of solving the problem on the transportation system. Depending on whether or not there is a part of a project funded in the five-year plan, the city and/or county can negotiate a proportionate fair share agreement that then represents the development's contribution to solving the problem created by the development. Regarding the legislation, Mr. Wallace said there are variations in interpretations.

In response to Mr. Miller, Mr. Wallace said the non-typical grid system in Lake County creates some additional problems, both from a construction point of view as well as a travel point of view. His job is to show the net cost of building a lane mile of road and how it affects the impact fee so the County has current information on what it costs to build roads in Lake County. As shown at the bottom of Page 8 of the overview distributed, as more non-impact fee revenue is available to fund capital expansion of parks and recreation, transportation, and other programs being considered, the net impact fee will go down. Therefore, it is just as important to look at credits as it is to look at costs. He said he will also be contacting the cities for costs on local projects they have built to give cost data to support the cost associated with building public infrastructure within Lake County. He spoke of land use studies to be done in Lake County

and discussed the tables on Page 11.

Chairman Kaminski was informed by Mr. Wallace that there is a trend toward the "per square foot" impact fee. Based on the size of a home, there has been shown a direct correlation to additional vehicle miles of travel being consumed. They were not comfortable going to the "per square foot" base, but they did feel the tiering creates a more equitable land use. Although other options will be considered, they will probably continue with what was done the last time. Ms. Wickwire added that the interest in tiering in Lake County has largely been based on affordable housing, allowing a smaller house to pay less. She would like to see a flat rate for the general transportation impact fee and then another category for low income. Mr. Wallace said it is looked at as "over-the-life" cycle of the home. The data from all sources they have looked at generally correlate strongly that over the life of a home, larger homes have more cars, more people, and generate more trips. However, there are always exceptions to that. The methodologies will be changing for fire and some other impact fees to allow for a more refined and equitable land use schedule. For example, there will be a higher impact fees for fast food restaurants, and that is justifiable because they consume more capacity and bring more risk and demand on public infrastructure, whether it is transportation or fire services. Regarding the fast food restaurant, Mr. Buskers asked if there is any provision addressing a residential street versus a county road. Mr. Wallace replied that fast food restaurants are not normally the sole purpose of a trip so there is a significant adjustment factor. The fast food restaurant should also be charged for the new trips they create. There is a percent new trips factor in the equation; for a fast food restaurant, it is about 50 percent. Mr. Buskers asked if the same thing would apply to a fire station as far as a residential street or a county road. Mr. Wallace explained that level of detail is not considered. The trip is looked at as the trip that is on the system. It is consuming capacity on the system. Ms. Wickwire added that the last transportation impact fee update did allow for travel on local roads. There was a subtraction from every trip of one-half mile to adjust for that. Regarding the Fire Rescue Comparison on Page 11, Ms. Wickwire said that the last time this study was done, the County based it on call data; and the call data was not very specific. Therefore, the fee was averaged over many kinds of uses. There was no way to distinguish the trip characteristics of the call data. The current study is being based on a different methodology so it will adjust some of the individual fees. Mr. Wallace said most of them will go down that are average or even above average in terms of the people trips and exposure that is created to require fire services. He pointed out that fire services is more than putting out fires; it also includes Emergency Medical Services (EMS). He said about 85 percent of fire rescue calls are EMS related as opposed to fire related. That is a slightly higher ratio than what is normally seen.

Regarding the Library and Parks Comparison on Page 12, Mr. Wallace said he would expect to see some increases in library impact fees, but a more dramatic increase in the parks impact fee. That is the result of the previous study being done when Lake County was in the process of establishing a master plan to deal with buying land, increasing the County's inventory and assets. Now that the County has bought that land, the value of those assets invested for the residents of Lake County will generate a new level of service standard; and that standard must be looked at in terms of developing a new parks and recreation impact fee. There will be policy decisions as to whether the County wants to maintain that standard. More facilities per unit of population and significant increases in the cost of land will be determining factors when establishing the new fee. Land drives the cost in the parks and recreation fee as much as if not more than the facilities in the parks.

When Vice Chairman Royce asked if the new millage rate for public land acquisition can be used for parks and recreation, Commr. Hill said that money is set aside for conservation, not for active parks. Mr. Wallace said that land will not be used in the calculation of the park and recreation impact fee primarily due to a legal opinion but also because it is not providing a benefit directly to those who would pay the fee. It is actually providing a benefit to everyone.

When Mr. Miller asked about indexing, Ms. Kaminski said that will be discussed at a later date when policies and methodology are discussed.

John Jolliff distributed the annual fire impact fee report. He discussed the historical expenditures by account spread sheet, pointing out the highlighted items on the first and last sheets. He noted the funding for three fire stations, Stations 13, 78 and 90, in the Next Year Budget Detail Report. When Ms. Kaminski

asked about the historical revenues, Mr. Jolliff said that since the inception of the fire impact fee, \$5.9 million have been spent. Since there is a total of \$4 million in the budget for next year, Ms. Kaminski stated that it appears about \$10 million have been collected. She confirmed that the expenditures shown in the report were all impact fee expenditures. She commented that this was a very inclusive report. Regarding the Paisley/Lake Kathryn fire station, Vice Chairman Royce was informed by Gary Kaiser that the Board of County Commissioners (BCC) decided to use the existing Paisley station and take down the old volunteer building because it was not suitable for renovation.

Mr. Buskers commented that over the past year there have been many developments approved in areas other than where those three fire stations are proposed to be located. He specifically referred to the Mount Plymouth/Sorrento area. He asked how fire station need is matched to developments approved by the BCC for construction. Mr. Kaiser replied that a study was done over the past two years to indicate where expansion is needed. Two stations were recently renovated in the Sorrento and Grand Island areas. Researching additional sites in the Mount Plymouth area is currently taking place, but there is no money available at this time to pursue this. Two to three acres is needed for a fire station to meet setback, drainage, onsite retention, and paving requirements. In response to Mr. Buskers, Mr. Kaiser said they are pursuing the possibility of swapping land.

Ms. Hurlbert asked if a parcel is requested or demanded to be set aside for fire and parks when a larger development is approved. Ms. Kaminski said many times a developer will negotiate a parcel of land, but sometimes it is not an appropriate location or topographically correct. However, the Department of Public Safety cannot base their planning on something becoming available. When Ms. Hurlbert asked if the County does have that availability through an ordinance, Ms. Wickwire said Lake County has a provision in the Impact Fee Ordinance for donation of land in lieu of paying impact fee. Ms. Hurlbert was informed by Ms. Wickwire that the provision exists for all impact fees. However, the provision also states that Lake County must accept that donation. Mr. Buskers said he was concerned that there was no line item in the budget for land acquisition. He felt the department was doing a great job at anticipating the needs, but his concern was about providing for the funding. Mr. Kaiser said an impact fee cannot be set at a higher level and charge new growth at that level if that level is not being maintained for everyone else.

Regarding the percentage of calls for EMS, Mr. Kaiser said the majority of calls are automobile accidents. The function of the Lake Sumter EMS is to stabilize and transport a patient to a definitive care facility. Ambulances are typically not equipped to deal with extrication so Fire Rescue intervention is also required in most situations.

T. J. Fish, AICP, Executive Director, Lake Sumter Metropolitan Planning Organization (MPO), stated that proportionate share is a new process mandated by the Legislature. He explained that if a new project comes in and growth concurrency is not needed, the project can move forward if the developer is willing to pay a proportionate fair share check. The local government, Lake County, would have to agree to that. However, there may be an issue to be dealt with regarding the developer requesting impact fee credits back.

Chairman Kaminski asked that the process leading up to the document be explained and whether it will come through this Committee.

Mr. Fish said the first step in the process is the required deadline of December 1, 2006 for the adoption of a proportionate share ordinance by the BCC. The MPO, working with the Florida Department of Transportation (FDOT), produced a Lake County model. The MPO has offered that model ordinance to all 14 cities as well as Lake County and asked them to meet the Statute and have it adopted by the deadline. A few cities may go into December, but Lake County appears to be on track to have it adopted by the end of November. Once that is adopted, it sets up the ground rules for how a development would engage in a proportionate fair share arrangement with Lake County. The questions that have not been answered that may need to be discussed at this level and also at the BCC level is that there will be occasions when that check being written is also going to turn into a impact fee credit issue. Because this is new territory, some of this will be determined through case law rather than by clear statute. Chairman Kaminski said this Committee needs to be aware and be watching for the public hearings and the documents for these adoptions because it will affect everyone. Mr. Fish said the ordinance will become a part of the Land

Development Regulations (LDRs), but it will become complicated when the first developments start to come through. Chairman Kaminski said that at some point, this Committee may be looking at that. Mr. Fish added that Lake County Public Works is moving forward with a new transportation concurrency management system.

In response to Vice Chairman Royce, Mr. Wallace explained that if a project is concurrent and funded within the first three years, no proportionate fair share agreement is needed. If it is not fully funded in the fourth and fifth year, then the development must enter into a negotiated proportionate fair share agreement. If it is fully funded in the fourth and fifth year, there is some latitude as to whether or not the development must enter into a proportionate fair share agreement.

Ms. Penner distributed and discussed the Statement of Revenues and Expenditures—Impact Fees for the Fiscal Year ended June 30, 2006 for Lake County Schools. She said there is still some revenue left over from the different impact fee zones, when that concept was being utilized. They hope to get that revenue cleared out in this upcoming year. It appears that the Lake County Schools are changing the way they are using their impact fee dollars in that during the last few years, they had done a lot to expand existing schools. Therefore, there were more smaller projects at existing schools. Now they are concentrating on building new schools although there are still some smaller projects in the new budget as a carryover from last year. However, the bulk of the dollars is going toward a new middle school across the street from East Ridge High School and a new elementary school in the Mascotte area. That elementary school will be funded completely from impact fees. She stated that there were eight ground-breaking ceremonies in August for a total of 6,000 student stations. There will be two replacement elementary schools and two new middle schools being built. There was also some land donated near one of the replacement schools so there will be two schools very close to each other. She noted the \$15 million start-up cost budgeted for the Community College Partnership at the South Lake Sumter Community College Campus. Commr. Hill said the State looks very favorably upon partnerships, and they can get matching dollars. Mr. Benham confirmed with Ms. Penner that the projected fund balance as of June 30, 2007 would be \$1 million.

Chairman Kaminski said she would like to see the number of dollars collected and the number of dollars expended since the inception of the school impact fee.

In response to Mr. Miller, Chairman Kaminski said the Lake County School Board contracted with Randy Young about six months ago to update the school impact fee. Ms. Wickwire said Mr. Young is hoping to be able to participate with this Committee next month via a teleconference. Ms. Penner said they just got a draft of the report and are reviewing it. There are a few changes that need to be made. They also need to present it to the Superintendent and the School Board before it can be made public. Mr. Wickwire commented that in the past, the School Board has worked with this Committee in producing a final product. This Committee was expecting a draft to be submitted to them. That way the bugs are ironed out before it goes to final document.

Vice Chairman Royce asked if this Committee could request a copy of the draft report. Although the BCC is the body that adopts the report, Chairman Kaminski said it is the School Board who had the study done and paid for it so she did not think this Committee could request it until it is part of their normal public records. Ms. Penner said it is not public record yet. Unless the members have the draft report in hand prior to the meeting, Chairman Kaminski said she would not discuss the report at the meeting.

Ms. Wickwire distributed a point paper on the Collier County Affordable Housing Impact Fee Deferral Program as well as a newspaper article about the debate over the effectiveness of impact fees and a portion of the Collier County Code regarding their affordable housing impact fee deferral program. This might be something this Committee and the BCC might want to consider implementing in Lake County. In Collier County, they defer payment of the impact fees until the house is sold. The benefit would be that it would help people qualify for their home. In Lake County, the cost of the house includes all of the impact fees so a person would have to qualify for that whole amount in order to get into a house. Then a 50% or 75% waiver check is given to the lender as payment against the principal. It does not help the homeowner much unless he/she refinances as he/she would be refinancing on a smaller balance; the homeowner receives no impact fee assistance to help the homeowner qualify. Chairman Kaminski said they do get some assistance

in Lake County as the County has a very good housing program as far as the SHIP money.

Chairman Kaminski asked Mr. Wallace about his experience with working and developing impact fees and making concessions or allowances that would affect the affordable housing crises all over Florida. Mr. Wallace said they are familiar with Collier County's program, which is innovative and pretty good; but there are other mechanisms that are being used by communities. Some communities have created a tiering structure based on income levels, much like Collier County did. They pay 25%, 50%, or 100% of the impact fee depending on the qualifications level. Highlands County has set up an impact fee trust fund that they will fund with a portion of the increased ad valorem taxes received from the increased evaluations in Highlands County. They are doing this for affordable housing and for economic development incentives. The other concept is a deferral program limited to three percent of the previous year's total impact fee monies collected. He also spoke of a diminimis impact fee exemption. Using three percent of the total impact fee monies collected, this would exempt the payment of the impact fee at either 50% or 100% depending on the income level of the person qualifying. This could also include workforce housing. Mr. Miller said he did not know if he could support forgiving the impact fee forever. Mr. Wallace said there is a provision in the Collier County program that the impact fees become due if the house is not sold to another affordable housing qualified candidate. Chairman Kaminski said that is similar to the SHIP monies in Lake County now. Mr. Wallace said the term of this program in Collier County is seven years. There are different levels of deferral in other communities. He would encourage this Committee to research and consider some of these programs.

Commr. Hill said Lake County does have an Affordable Housing Committee. This Committee is looking at different ideas for workforce as well as affordable housing and will be bringing something forward shortly. If there are handouts associated with that, Mr. Wallace asked that they be forwarded to him.

Chairman Kaminski asked all the members to funnel any information, news clips, and handouts that would be of interest to this Committee through Ms. Wickwire so she can share it with this Committee.

Mr. Wallace spoke of the economic development incentive fund in Highlands County although the details have not yet been worked out. He noted that there is a shortage of certain land uses in Highlands County that they would like to induce to come to that County. They want to ensure that impact fees do not cause those particular land uses not to come. The concept is that there would be a policy developed through the Comprehensive Plan stating that certain types of land use codes are desirable in Highlands County and; therefore, based on the type, size, and land use codes as well as the benefits of those developments coming, this economic trust fund would pay all or part of the impact fees. That is still being worked out.

Chairman Kaminski said this Committee would be meeting on November 16 at 9:30 a.m. in Room 233 unless there is a change in something that is to be discussed. If the school study is ready to be heard the third Thursday in December, Ms. Wickwire asked if the Committee would want to meet. Although everyone may not be available, Chairman Kaminski felt the Committee should try to meet. An alternative date in December was suggested.

There being no further business, the meeting was adjourned at 11:25 a.m.

Respectfully submitted,

Sherie Ross
Public Hearing Coordinator

Jean Kaminski
Chairman